

Robert Greenstein, Director, Center on Budget and Policy Priorities

Opening Remarks

Welcome, I'm Bob Greenstein of the Center on Budget and Policy Priorities. Welcome to the Center for American Progress and Center on Budget and Policy Priorities Conference. Thanks to all of you for coming. We view this as a quite important conference which we hope will lead to an on-going conversation and much hard work.

As you know today we are in the midst of the worst recession in decades and the current level of deficits is not cause for alarm. With the economy weak and interest rates as about as low as they can go, the government needs to be running significant deficits to keep consumption from falling off the table and the economy from sinking further. The current deficit is not the topic of this conference, but the long term deficit is. As most of you probably know, the Center on the Budget and Policy Priorities regularly projects the long term fiscal path using Congressional Budget Office estimates and, even allowing for the uncertainty of projections that go into the future, the conclusion is clear.

If we remain on our current course with health care costs continuing to rise at the rates they have in recent decades, the aging of the population and current levels of revenue, in other words, without policy changes, deficits and debt will grow to unprecedented levels that jeopardize the ability of the federal government to do its job and meet critical national needs and also pose risks to the economy. The path is unsustainable, with debt levels climbing to somewhere in the general vicinity of 300 percent of the gross domestic product by mid-century and interest payments on the debt gobbling up ever larger shares of the budget. And as a result of that, major policy change is inevitable.

As the late Herb Stein once said, "If something can't go on forever, it won't." Changes, sooner or later, big changes are coming. We and CAP believe that progressives should be front and center in this debate helping to design ways to tackle it and to figure out ways to do so that don't destroy the village in order to save it. That don't cripple our ability to meet crucial needs. Hence today's conference. What better way to start the conference than to hear, as we will now, from the President and CEO of the Center for American Progress, John Podesta.